

1 in multiple classrooms and that at any given time a student  
2 might be watching Channel 21, the Township's access channel in  
3 one classroom and another classroom might be watching the  
4 educational access channel. Can that be done with the one --  
5 using only the one converter box that you're proposing to  
6 provide for free?

7 MR. SCOTT: Objection, Your Honor. I've got lots of  
8 testimony for this witness. We put him up here to answer the  
9 Court's direct question. I have not presented him for Direct  
10 questioning or general Cross-examination on issues that have  
11 not been subject to his testimony. This is not  
12 Cross-examination.

13 MR. VAN EATON: I thought that was part of the  
14 substance of his testimony is that the solution -- the  
15 converter box solution.

16 THE COURT: Wait one moment. Mr. Scott, were you  
17 planning on doing a Direct Examination of this witness?

18 MR. SCOTT: Absolutely.

19 THE COURT: Okay.

20 MR. SCOTT: He didn't testify as to the schools.

21 THE COURT: I thought you had -- I thought -- I guess  
22 I misunderstood you, so allow Mr. Scott to question his  
23 witness.

24 MR. VAN EATON: I apologize too. I misunderstood as  
25 well.

1 THE COURT: I misunderstood.

2 MR. SCOTT: Your Honor, may I take a step back? We've  
3 presented a case we'd like to present that would have this  
4 witness after someone sets up a lot of the foundation. I  
5 brought him up here in respect to the Court's specific  
6 questions that I possibly couldn't answer and would prefer  
7 that we proceed with the Plaintiff putting on their proof and  
8 we put in our proof in the orderly fashion that we had  
9 planned. I'm happy to do it if you'd rather we just go  
10 forward with it. It might not make as much sense.

11 THE COURT: So you're not ready to question this  
12 witness?

13 MR. SCOTT: I would prefer to do it in the order where  
14 we set up his testimony with another witness. It would make  
15 much more sense.

16 THE COURT: Okay. I misunderstood again. Why don't  
17 you step down? So what do you want to do, Mr. Scott?

18 MR. SCOTT: I would like them to present their case  
19 and then I will cross-examine.

20 THE COURT: They rested before. I had a specific  
21 question when you were presenting yours, which is why I began  
22 with the witnesses.

23 MR. SCOTT: Very good. I would like to call -- I  
24 don't know if they have their witness available.

25 THE COURT: I need to take a break for a moment. Why

1 don't we do that until 11:30?

2 (Court recessed at about 11:17 a.m.)

3

4 (At about 11:43 a.m.)

5 (Court, counsel and parties present)

6 THE COURT: Thank you.

7 MR. VAN EATON: Your Honor, before Mr. Scott begins,  
8 we just had a little bit of confusion on our side. Normally I  
9 would have gotten up and rebutted his oral argument at that  
10 point and I'm not sure whether you want us to do that now or  
11 defer it until after he calls folks or just not do it at all.

12 THE COURT: You'll have an opportunity to stand again  
13 when Mr. Scott is done, so you can do it then.

14 MR. VAN EATON: That will be fine. Thank you.

15 THE COURT: You're welcome.

16 MR. SCOTT: Comcast calls Deborah Guthrie.

17 D E B O R A H G U T H R I E,  
18 Having been duly sworn under oath at about 11:44 a.m.,  
19 testified as follows:

20 THE COURT: And Mr. Scott, I want to say this now.  
21 I'm sure that most of the lawyers over the weekend and I know  
22 that my Law Clerk and I worked long hours for this hearing  
23 today, and people are probably pretty tired, but I don't think  
24 it gives you -- I'm a little concerned about your tone and so  
25 I want you to tone it down. I don't have the patience for it.

1 MR. SCOTT: I'm sorry, Your Honor. I heard that in  
2 your voice and I realize what you were telling me is that my  
3 exhaustion is showing and I apologize. I will rein it in.

4 THE COURT: All right. Thank you.

5 DIRECT-EXAMINATION

6 BY MR. SCOTT:

7 Q. Good morning, Miss Guthrie.

8 A. Good morning.

9 Q. I've read your Affidavit submitted in this matter and I  
10 just had a few follow-up.

11 A. My name is Deborah Karen Joanna Guthrie. G-u-t-h-r-i-e.

12 Q. In your role as Cable Coordinator for the Township of  
13 Meridian, do you have familiarity with the operations of Wide  
14 Open West at all?

15 A. No.

16 Q. Have you spoken with Wide Open West?

17 A. No.

18 Q. Do you know who Wide Open West is?

19 A. No. I know these are cable providers, but I don't know  
20 much more than that.

21 Q. They don't provide cable service in your community?

22 A. No, not to my knowledge.

23 Q. What about AT&T?

24 A. They don't provide cable service in our community either.

25 Q. Are you aware of any discussions with AT&T with Meridian

1 Township?

2 A. No.

3 Q. So there are Direct TV and Dish Network satellite services  
4 available in the Township, correct?

5 A. Of course.

6 Q. They don't provide any public, educational or governmental  
7 access channels, right?

8 A. No.

9 Q. Now with respect to the schools, there's been some  
10 confusion. Do you have any relationship or role with the  
11 schools as Cable Controller -- Coordinator?

12 A. Yes. I talk with them about cable issues and we discuss  
13 issues, things of that manner.

14 Q. I'm just wondering if you're aware of any other entity  
15 provides the schools with free services like Comcast free  
16 cable service?

17 A. No.

18 Q. Now you're familiar with the public, educational and  
19 governmental access channels and you mentioned one in your  
20 affidavit?

21 A. Right.

22 Q. So the Township has the ability to control programming  
23 over that channel?

24 A. Over our channel we produce the programs for our channel.

25 Q. One of the channels?

1 A. Right.

2 Q. And you have the ability to make public announcements over  
3 that of whatever type you want?

4 A. Yes.

5 Q. Has the Township made any announcements over its channel  
6 regarding the conversion of these two channels?

7 A. Yes.

8 Q. Could you describe those?

9 A. Notification to the public that Channel 21 was going to be  
10 Channel 915. Originally -- the original notice said 911 and  
11 so when I found out through -- I don't even remember who --  
12 but it was 915, we immediately changed it. Then we notified  
13 Haslett and Okemos which 900 channels those were going to be  
14 as well.

15 Q. Thank you. You describe a test that was conducted by your  
16 staff to see if the access channels were available?

17 A. Yes.

18 Q. Did you and your staff find the access channels on that  
19 QAM TV set described in your affidavit?

20 A. My employee that conducted the test, he's here today if  
21 you would like to ask him those questions what his findings  
22 are.

23 Q. What is your knowledge?

24 A. My knowledge is that his original test did not find our  
25 PEG channels on the digital QAM TV. We were informed that

1 those channels were being simulcast currently and the letter  
2 stated that a digital QAM capable television would be able to  
3 have the 915, whatever those 900 channels were on a QAM TV.  
4 We did not find that and I went to Comcast and picked up a  
5 converter box and we connected it to our analog TV set and  
6 those channels were being simulcast on Channel 21, 22. Those  
7 PEG channels were being simulcast on -- in the 900s with the  
8 converter box and analog television.

9 Q. Who's your staff person that conducted this test?

10 A. Brian Dumont, Senior Production Manager. He's here with  
11 us today.

12 Q. You're not aware that Mr. Dumont found the channels  
13 without the converter?

14 A. He did find the channels without the converter on the  
15 digital QAM TV.

16 Q. Do you know whether he scanned the channels to see if it  
17 was on a different location?

18 A. He -- my direction to him was to punch in the numbers  
19 individually like physically say one, two, three and to go  
20 channel up channel down, and his results at that time showed  
21 that -- showed our channels where they're supposed to be and  
22 did not show any digital conversion.

23 Q. That's your understanding of what he found?

24 A. Yes.

25 Q. Thank you. I have nothing further for the witness, Your

1 Honor.

2 THE COURT: Didn't her testimony just confirm what  
3 the Plaintiffs are saying?

4 MR. SCOTT: I'm aware that the channel is on the  
5 system --

6 THE COURT: I'm just asking yes or no, because if  
7 that's true, there's no -- I heard her say what the  
8 Plaintiffs said. Did you hear the same thing?

9 MR. SCOTT: Her affidavit said it was not on Channel  
10 900 and that's what I heard her confirm and what I was trying  
11 to find out is if they looked for it elsewhere on the system.

12 THE COURT: I heard that she could not find the 900  
13 channels without a Comcast converter box.

14 MR. SCOTT: Correct.

15 THE COURT: All right. Thank you.

16 CROSS EXAMINATION

17 BY MR. WATZA:

18 Q. One question, Your Honor. Miss Guthrie, notwithstanding  
19 the Notice that you talked about a moment ago that was sent  
20 out over the PEG stations about the channel change, what is  
21 your understanding of the state of understanding in the  
22 community about what the PEG change will be?

23 A. It's access for everyone. It's access for everyone. Is  
24 that your question?

25 Q. You were asked about notices that were sent out over PEG



1 about the channel change coming up tomorrow?

2 A. Yeah.

3 Q. What is your understanding of the state of understanding  
4 about that?

5 MR. SCOTT: Objection; hearsay.

6 MR. WATZA: Within the community notwithstanding the  
7 notice?

8 MR. SCOTT: Objection. Foundation; hearsay.

9 THE COURT: Well, does your role at Comcast require  
10 you to get community input?

11 THE WITNESS: Comcast notifies me. I then notify the  
12 Cable Commission and Township Board of matters that Comcast  
13 notifies me of, and then if that requires or if the Township  
14 Board would like me to notify the public, then I do that. So  
15 we notified them that on January 15th they were going to find  
16 these channels --

17 THE COURT: (Interjecting) I understand all that, but  
18 are you -- is your position one that interacts with the  
19 community to get feedback to what action you take?

20 THE WITNESS: Yes.

21 THE COURT: Overruled, Mr. Scott.

22 Q. (By Mr. Watza continuing) I believe that you can answer  
23 the question. What is your understanding of the state of  
24 understanding about this PEG change in the community that you  
25 deal with?

1 A. That people are supposed to be able to find it on those  
2 channels.

3 Q. And is the community responding to you by telling you they  
4 are finding them or is there confusion or what's the state out  
5 there in the community as you understand it?

6 A. Confusion. There's a lot of confusion.

7 Q. Thank you. That's all I have.

8 REDIRECT EXAMINATION

9 BY MR. SCOTT:

10 Q. I agree there's confusion. I just want to ask a question  
11 to make sure it's clear.

12 THE COURT: What does that mean? Is that part of your  
13 question?

14 MR. SCOTT: I'm sorry, Your Honor.

15 THE COURT: Mr. Scott, I don't want to have to tell  
16 you this again. I don't like your undertone. I don't like  
17 your sarcasm. I don't like you referring to counsel in his  
18 statements as testimony. I don't like a lot of things that  
19 you're doing and I want it to stop. I had you go through our  
20 principles of civility for a reason and it doesn't sound like  
21 you took it to heart.

22 MR. SCOTT: I deeply appreciate it, Your Honor.

23 Q. (By Mr. Scott continuing) I'm just trying to clear up a  
24 confusion that I thought I heard. You work for the Township  
25 of Meridian, not Comcast, right?

1 A. Correct.

2 Q. That's all. Thank you.

3 MR. WATZA: I have nothing else.

4 THE COURT: Thank you. You can stand down Miss  
5 Guthrie.

6 MR. SCOTT: Your Honor, Comcast calls David Buhl.

7 D A V I D B U H L,

8 Having been sworn under oath at about 11:54 a.m., testified:

9 DIRECT-EXAMINATION

10 BY MR. SCOTT:

11 Q. Good morning, Mr. Buhl. Could you describe your position  
12 with Comcast for the Court?

13 A. Yes. Currently I'm a Regional Senior Vice President for  
14 Comcast Michigan. Basically my responsibilities would be all  
15 cable, internet and voice operations, all aspects of the  
16 business, including profit and loss statement, every single  
17 discipline, technical, engineering, all under my supervision.

18 Q. How many customers are under your responsibility?

19 A. In Michigan we have about just under 1.3 million video  
20 subscribers.

21 Q. We're here of course for the transition of Comcast's  
22 channels on public, education, governmental access to digital  
23 format. Could you just tell us what Comcast is doing with  
24 these channels in your own words?

25 A. I think the easiest way to describe it is these channels

1 are being moved from an analog format to a digital format to  
2 enhance their picture quality, and another piece of the change  
3 is to put them in an easy to find place in our system so that  
4 they're uniform across the state so that the customer  
5 experience would be that they can find these channels in a  
6 similar place regardless of what city they live in, which is a  
7 change from what we have today.

8 Q. What tier of service will the public, education,  
9 governmental channels be on?

10 A. On the Basic Service tier, what I call our Limited Basic  
11 Service tier which is the lowest west level of service you can  
12 buy.

13 Q. What other tiers do you have above that?

14 A. Well, above the lowest basic tier we have one that we call  
15 -- it's been referred to many things over the years -- a full  
16 Basic tier which would be the full analog complement plus some  
17 digital format channels. If I talk in terms of the lowest  
18 price point tier is in the \$15 a month range, the full Basic  
19 gets you closer to 50 and then you move into digital tiers  
20 where we continue to add services and products.

21 Q. So from the \$15 tier it goes to what?

22 A. Roughly 50.

23 Q. And that changes in communities?

24 A. Yes.

25 Q. Now I'd like to try to clarify for the Court the number of

1 customers potentially effected by this with an exhibit, Your  
2 Honor, if we could?

3 THE COURT: Yes.

4 MR. SCOTT: May I hand Comcast Exhibit One?

5 THE COURT: Yes.

6 Q. (By Mr. Scott continuing) Mr. Buhl, you recognize this  
7 document?

8 A. I do.

9 Q. Can you tell us what it is?

10 A. This is a compilation of some subscriber data that came  
11 from a Business Report that I regularly review.

12 Q. And how did this document come to be created?

13 A. Myself and my staff actually took the most recent Business  
14 Report and just pulled the data off of that.

15 Q. From regularly kept business records?

16 A. Absolutely.

17 THE COURT: Any objection?

18 MR. VAN EATON: No, Your Honor.

19 THE COURT: It's admitted.

20 Q. (By Mr. Scott continuing) Thank you, Your Honor. Mr.  
21 Buhl, would you please walk through this exhibit and let's  
22 look at the city of Dearborn and explain how this digital  
23 transition effects customers in for example the city of  
24 Dearborn, the first one on the chart?

25 A. Sure. What we try to talk about here first of all is what

1 the state of competition is in Dearborn and the easiest way to  
2 display that is to start with the number of phones passed in  
3 that community which would represent all the households in our  
4 business records that would be available to have our cable  
5 service brought to them. What it also shows is that we  
6 certainly aren't a monopoly provider in that city since we  
7 currently serve under 15,000 customers which would take our  
8 market share well below 40% of the households.

9 THE COURT: Mr. Buhl, when you say this 40,000 number  
10 represents the homes available to have cable service, is that  
11 all of the homes in Dearborn?

12 THE WITNESS: According to our business records, that  
13 would be where my cable plant is available. So the number of  
14 homes passed would be slightly larger, but we're pretty good  
15 at making sure we can get to most everybody.

16 THE COURT: Thank you.

17 THE WITNESS: Going down the page, I tried to break  
18 out the number of customers that we already have that are  
19 subscribing on a digital tier of service because clearly they  
20 already have a piece of equipment in their house. They're  
21 subscribing to a much higher level of service and the PEG  
22 channels in digital format will certainly be seen by these  
23 customers.

24 Q. (By Mr. Scott continuing) Could you point to that line on  
25 this and tell us what number is that we'll already be able to

1 see them?

2 A. The digital sub number of just over 9300 there or roughly  
3 63.3% of my video subscribers would be able to continue to see  
4 that.

5 Q. They already have the equipment?

6 A. They already have equipment because they're subscribing to  
7 a higher level of service.

8 Q. What's the last line, number of homes potentially impacted  
9 that you put on this?

10 A. What I try to depict here is the number of homes  
11 potentially impacted and it's important to recognize that that  
12 means they don't currently have a piece of equipment from  
13 Comcast. I think what I tried to display is kind of the worst  
14 case scenario maximum number because clearly a number of those  
15 customers, it's pretty well widely industry known that at the  
16 end of 2007, over 50% of the television sets in the U.S. are  
17 now digital ready; that's a pretty standard industry fact. So  
18 the worst case scenario would be this number of homes, but  
19 it's certainly much less than that because many of these  
20 customers do now have digital television sets. As I said 53%  
21 is the national average for digital homes. So the worst case  
22 scenario would be 13% of the population of Dearborn might be  
23 effected, but it's likely a number quite a bit smaller than  
24 that.

25 Q. Now what is going to be the price for the equipment for a

1 customer who wants to go from a situation where they can't now  
2 get the PEGs on digital, but can in a few days?

3 A. Okay. So let's assume on one of these analog customers I  
4 don't have my own digital TV set. I'm going to count on  
5 Comcast to help them with this problem. I mentioned that  
6 there's really a couple of sets of customers, some that buy  
7 the lowest level of Basic which is in that \$15 a month range.  
8 Of that 5400 some customers, there are only about 500  
9 customers in Dearborn that are at that \$15 range. Those  
10 customers would be offered a free box for a year and at the  
11 end of that year, the current rate for that equipment is \$4  
12 for the box and 20 cents for the remote and that's a rental  
13 charge.

14 Q. When do you think that goes into effect?

15 A. The four dollar charge? At the end of the free year. Now  
16 the balance of those customers which would be the substantial  
17 number, are customers that are probably already paying for our  
18 full basic service in the \$50 range and if they called in,  
19 they would still be offered a free box for a year and they  
20 would have an option to pay the \$4 if they wanted to stay  
21 analog, but if they wanted to upgrade their service to our  
22 lowest level of digital service which is the next step up,  
23 that current price is a dollar ninety-nine a month. So the  
24 majority of customers might pay \$2 more after their free year  
25 and a very small subset might pay \$4 if they chose to rent



1 their equipment from us.

2 THE COURT: Mr. Buhl, I want to be clear. Of the  
3 5,443 homes you have listed here, are you saying that only 500  
4 of them are -- only 500 of them subscribe to the limited Basic  
5 service?

6 THE WITNESS: That is correct.

7 THE COURT: And then the rest of that 5000 -- so  
8 roughly 5000 of them are at full Basic?

9 THE WITNESS: Full Basic probably paying close to \$50.

10 THE COURT: But they don't have digital equipment?

11 THE WITNESS: No, that's correct.

12 THE COURT: So does that mean that your standard  
13 Basic Package doesn't require -- it's all analog?

14 THE WITNESS: The standard Basic Package is mostly  
15 analog. There are a few channels on there that are digital  
16 format because the lowest level of Basic is included in the  
17 larger level of Basic.

18 THE COURT: Thank you.

19 Q. (By Mr. Scott continuing) Mr. Buhl, let's talk about the  
20 way you just described the city of Dearborn. Look at Meridian  
21 Township.

22 A. Yes.

23 Q. Could you summarize Meridian Township statistics that  
24 you're showing here for the effect of the transition?

25 A. Well, I think a very similar effect we start with about,

1 if I was to do the quick math there, it looks like my video  
2 subscriber penetration is higher than it is in Dearborn.  
3 That's to be expected because I have five competitors in  
4 Dearborn; I only have two competitors in Meridian Township.  
5 But very similarly, of my video subscribers, better than 60%  
6 of them already have digital equipment and when I look at the  
7 maximum number of homes potentially impacted in this case,  
8 it's 4400. In Meridian when I looked at the data there's  
9 about 600 customers at the lowest level of service and the  
10 remaining 3800 are the \$50 a month type customer.

11 Q. You've given figures for that lowest limited basic in both  
12 Dearborn and Meridian. How do you know that number? It's not  
13 on the chart.

14 A. It's not on the chart, but when he look at my Monthly  
15 Business Report and I see these broad categories if they're  
16 video or if they're digital or if they're not digital, the  
17 spread sheet basically has the columns of all the lower tiers  
18 that add up. So the analog number is supported by a break out  
19 of higher level analog versus lower level analog.

20 Q. Could you describe the city of Detroit example here? You  
21 put that on here to show a different type of example.

22 A. Right. I wanted to show that competition comes in several  
23 forms. Here in the city of Detroit, we now have three  
24 competitors.

25 Q. Could you name them please?

1 A. Yes. Direct TV, Dish Network and AT&T is now providing  
2 some service in the city of Detroit. As a result, the market  
3 share is a good example here of our market share in the city  
4 certainly wouldn't be anything I'd call a monopoly when we  
5 only serve about 24% of the homes, and from an impact  
6 standpoint, most of the homes in digital -- in Detroit have  
7 purchased the digital level of service. You can see over 83%  
8 of my customers in Detroit buy the digital level of service,  
9 so when compared to the total number of homes in Detroit, the  
10 number of homes potentially impacted is 15,000 or so which is  
11 less than 4% of all the homes and given the same discussion  
12 about how many TV sets have moved to an all digital purchase  
13 by a customer, one would expect that we're down in the very  
14 low single digits of homes that would be immediately impacted  
15 and until they take advantage of an offer or find some other  
16 piece of equipment.

17 Q. Now you keep talking about the offer for -- is it a free  
18 digital converter for one year?

19 A. Yes. What we have offered to customers that want to  
20 continue to receive their PEG channels is a process where they  
21 call and identify themselves. We have revised that process  
22 through some feedback to try and make sure that we get the  
23 customer the box quickly. They go to a special group that's  
24 handling these requests. The customers explained a couple of  
25 options of what's available to them and then they make sure

1 that the customers that want that box know that it will be  
2 free for a year, what the cost is likely to be a year from now  
3 if they change nothing between now and then, and that's always  
4 a big piece of a discussion with a customer is what might  
5 happen during the course of the next year. And then we make  
6 sure they get their box either delivered or using UPS type  
7 shipping process. We can send a technician or they can come  
8 to one of our walk-in centers and pick up the equipment  
9 themselves.

10 Q. What is Comcast's ability to provide converter boxes to  
11 all those customers that it serves that don't have one in  
12 Dearborn and Meridian Township, for example?

13 A. Well, I can say with absolute certainty that every  
14 customer in the state of Michigan -- I'll go so far to say --  
15 that calls us up and wants a converter to receive these PEG  
16 channels, I can make sure that they get it.

17 Q. Thank you. Let me ask you another question. Why not just  
18 give this converter box for free for as long as there's any  
19 analog broadcast stations?

20 A. Well, there's really two pieces to the whole free  
21 converter question, but one would be --

22 THE COURT: (Interjecting) I'm sorry, Mr. Scott. What  
23 is your question?

24 MR. SCOTT: My question was why doesn't Comcast just  
25 make this box free for as long as there's any broadcast

1 stations on analog?

2 THE COURT: Okay.

3 A. I think the most direct answer to that is as a publicly  
4 traded corporation, we obviously have a fiduciary  
5 responsibility to our shareholders. So what we tried to do  
6 was to get customers free to the digital transition point,  
7 because we knew by that point and time they would be making  
8 other decisions about what was going on in their household;  
9 whether it's time to buy a new TV, whether it's time to take  
10 this equipment from Comcast, whether it's time to get  
11 equipment from someone else. So we felt the offer at the time  
12 got them to a natural decision point that they needed to make  
13 on their own.

14 Q. Could you please explain the factors for the Court, what  
15 went into the decision to move these PEG channels to digital  
16 now?

17 A. I think one has to step back and look at the migration  
18 we've been making from analog to digital since 2006 at least  
19 that I can remember. This is not the first channel that we've  
20 moved from analog to digital and probably wouldn't be the last  
21 channel that we move in analog to digital. We look at each  
22 one of these on a case-by-case basis and I can honestly say  
23 having been in my position since late 2006 that in the early  
24 decisions we were looking for channels that always — we kind  
25 of follow the same script. We want to make sure that we're

1 assessing customer need and impact. We're trying to assess  
2 where the competition is at that time relative to our  
3 decision, and then we look at the impact and our ability to  
4 make the transaction smooth. What's really driven us at this  
5 point and time to make PEG the next selection, and I believe  
6 if we look at what we've talked about in the past, we've  
7 probably already moved three or four other channels from  
8 analog to digital prior to this and we are also moving a  
9 Comcast channel at the same time. So it kind of makes PEG the  
10 6th or 7th choice, so it wasn't our first choice and so let's  
11 get to why PEG now. We're coming through a time period  
12 competitively where we've introduced in the last year in the  
13 state of Michigan AT&T as a brand new competitor. In less  
14 than a year they've gone from not existing as a competitor to  
15 operating in over 90 communities in the state. They're a  
16 well-funded organization. You can't look at TV not see an ad  
17 for AT&T service. In addition to that, Wide Open West in the  
18 city of Dearborn has certainly not gone away and the satellite  
19 dishes have become more and more competitive. The other piece

20 --

21 Q. (Interjecting) Mr. Buhl, is AT&T in the city of Dearborn?

22 A. AT&T does provide service in the city of Dearborn. So  
23 like I said, we have four competitors in the city of Dearborn  
24 and my market share clearly reflects the fact that I've got  
25 multiple competitors. Getting back to the other point.

1 Competitively this is not just about video services. All of  
2 these providers for the most part are after a household share  
3 of video. They want your internet business. They want your  
4 voice or telephone business and the bandwidth that we manage  
5 at Comcast has to be utilized to provide all of that. I think  
6 it would be hard to say that I don't have customers that  
7 weren't really glad that we got in the telephone business.  
8 We're providing a competitive choice in telephone, in many  
9 cases for the first place in the state and this is the same  
10 bandwidth that delivers that. Internet competition really  
11 came out against the telephone company because cable decided  
12 to provide internet service. I think AT&T's entry is a  
13 reaction to well, they had the internet and the phone product,  
14 but they didn't have the video product. Wide Open West  
15 provides all three services in Dearborn. So bandwidth  
16 management is a very important part of the business and is  
17 part of the competitive landscape.

18 Q. Mr. Buhl, could I interrupt you? Do you know whether Wide  
19 Open West provides free cable service to schools in Dearborn?

20 A. I am not aware of Wide Open West providing any free  
21 service to schools predominantly because we've already  
22 provided free service to the school. Where PEG comes in in  
23 the discussion this time is the fact that PEG represents a  
24 fairly significant portion of the analog bandwidth and while  
25 we were able to keep up and compete on all these product

1 fronts by taking smaller chunks maybe one channel at a time,  
2 when you come through the Christmas buying season and you know  
3 based on reports how many HD TV sets went out the door, how  
4 many digital TV sets went out the door, how many new computers  
5 went out the door, the customer demand at this point is so  
6 much larger than any time of year, that we found ourselves in  
7 a position that we needed to launch multiple HD channels at  
8 this time, multiple standard definition type channels and we  
9 needed to be cognizant of the fact that we needed to improve  
10 the speed of the internet because of all the new users and the  
11 growth of the phone business in Michigan has been so  
12 phenomenal, we have to provide bandwidth to keep up with that  
13 activity and it all just kind of came in this holiday period  
14 huge amount of demand. So we sat down with engineers and said  
15 how much bandwidth do we need to really keep the competition  
16 effective and the bandwidth requirement was a large amount and  
17 so PEG became the next decision point.

18 Q. You talked about competition with the satellite  
19 companies. Can you describe the -- just quickly compare the  
20 products between the two?

21 A. I think satellite is a good product. Obviously they have  
22 a lot of customers, customers enjoy it and it's an all digital  
23 product. It's an all digital product that requires a set top  
24 box on every TV that you want to see satellite, so by the way  
25 is AT&T service a digital service that requires a box on every



1 single TV that you want to see it on.

2 Q. Could I stop you there? Neither the satellite service or  
3 the AT&T service, are they in analog?

4 A. They are not. They're a hundred percent digital. They  
5 have a 100% standardized lineup which means the customer  
6 experiences the same whether you buy their service in Lansing  
7 or in Detroit. In particular, the intensity of competition  
8 for the satellite providers has been surrounding the trying to  
9 capture the high-definition market. The biggest and most money  
10 being spent by them today is trying to capture high-end,  
11 high-definition, high content type users.

12 Q. Now I'd like to if I could, Your Honor, introduce two  
13 exhibits?

14 THE COURT: Yes.

15 Q. Thank you. Witness, what is marked Comcast Exhibit Two?

16 A. Okay.

17 Q. Tell us what this is.

18 A. This is a mail piece that was sent from satellite provider  
19 to a person in my office that he brought it to my attention.

20 Q. This is two pages stapled together. It was supposed to be  
21 two exhibits. We can treat it as one, but could you just  
22 identify what you're looking at when you say it was a mailer?

23 A. The first page here that has all of the stuff on it.  
24 They're actually both a mailer. The small piece was kind of a  
25 detachment. It all came in one mail envelope.